



QUARTERLY STATEMENT
AS OF March 31, 2009
OF THE CONDITION AND AFFAIRS OF THE
NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY

| | | | | | | | |
|---------------------------------------|--|---|------------------------|------------------------------------|--|----------------------|------------|
| NAIC Group Code | 0000 (Current Period) | , | 0000 (Prior Period) | NAIC Company Code | 67032 | Employer's ID Number | 56-0340860 |
| Organized under the Laws of | North Carolina | | | State of Domicile or Port of Entry | NORTH CAROLINA | | |
| Country of Domicile | United States of America | | | | | | |
| Incorporated/Organized | 02/28/1899 | | | Commenced Business | 04/01/1899 | | |
| Statutory Home Office | 411 W. Chapel Hill Street (Street and Number) | | | , | Durham, NC 27701-3616 (City, or Town, State and Zip Code) | | |
| Main Administrative Office | 411 W. Chapel Hill Street (Street and Number) | | | | | | |
| | Durham, NC 27701-3616 (City or Town, State and Zip Code) | | | | (919)682-9201 (Area Code) (Telephone Number) | | |
| Mail Address | 411 W. Chapel Hill Street (Street and Number or P.O. Box) | | | , | Durham, NC 27701-3616 (City, or Town, State and Zip Code) | | |
| Primary Location of Books and Records | | | | | 411 W. Chapel Hill Street (Street and Number) | | |
| | Durham, NC 27701-3616 (City, or Town, State and Zip Code) | | | | (919)682-9201 (Area Code) (Telephone Number) | | |
| Internet Web Site Address | ncmutuallife.com | | | | | | |
| Statutory Statement Contact | Kamlesh Shah (Name) | | | | (919)313-7807 (Area Code)(Telephone Number)(Extension) | | |
| | kshah@ncmutuallife.com (E-Mail Address) | | | | (919)313-8723 (Fax Number) | | |

OFFICERS

| Name | Title |
|------------------------------|-------------------------|
| James Herbert Speed, Jr. | President |
| Richard Lee Hall | Chief Operating Officer |
| Stafford Leroy Thompson, Jr. | Actuary |

OTHERS

Arthell Damon Davis 0, Vice President-Group Marketing
Gracie Ann Johnson-Lopez SPHR, Sr. VP of Administration/Human Resources
Richard Curtis Barnes FLMI, AFSI, PCS, AIRC, J.D., ARA, Corporate Secretary

David Alan Baylock, Vice President -Accounting Services
Ronald Russell Corlew, Vice President-Individual Marketing

DIRECTORS OR TRUSTEES

Carol Moseley Braun
Joe Louis Dudley Sr.
James Herbert Speed Jr.

Julius Levonne Chambers
Nathan Taylor Garrett Sr.
Theodore Walstein Long Jr.

Bert Collins, Chairman
Elliott Sawyer Hall
Phail Wynn Jr

State of North Carolina
County of Durham ss

The officers of this reporting entity, being duly sworn, each depose and say that they are the described officers of the said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

| | | |
|--------------------------|-----------------------|--------------------------------------|
| (Signature) | (Signature) | (Signature) |
| James Herbert Speed, Jr. | Richard Curtis Barnes | David Alan Baylock |
| (Printed Name) | (Printed Name) | (Printed Name) |
| 1. | 2. | 3. |
| President, CEO | Corporate Secretary | Vice President - Accounting Services |
| (Title) | (Title) | (Title) |

| | | |
|--|--------------------------------|--------------|
| Subscribed and sworn to before me this | a. Is this an original filing? | Yes[X] No[] |
| 12th day of May, 2009 | b. If no, | |
| | 1. State the amendment number | |
| | 2. Date filed | |
| | 3. Number of pages attached | |

(Notary Public Signature)

ASSETS

| | | Current Statement Date | | | 4 |
|----------------------|--|------------------------|-----------------------|---|---|
| | | 1 | 2 | 3 | December 31, Prior Year Net Admitted Assets |
| | | Assets | Nonadmitted Assets | Net Admitted Assets (Cols. 1 - 2) | |
| 1. | Bonds | 106,361,246 | | 106,361,246 | 103,112,427 |
| 2. | Stocks: | | | | |
| 2.1 | Preferred stocks | | | | |
| 2.2 | Common stocks | 420,948 | | 420,948 | 1,017,843 |
| 3. | Mortgage loans on real estate: | | | | |
| 3.1 | First liens | 13,159,432 | 128,614 | 13,030,818 | 12,661,732 |
| 3.2 | Other than first liens | | | | |
| 4. | Real estate: | | | | |
| 4.1 | Properties occupied by the company (less \$.....0 encumbrances) | | | | |
| 4.2 | Properties held for the production of income (less \$.....0 encumbrances) | | | | |
| 4.3 | Properties held for sale (less \$.....0 encumbrances) | 18,840 | | 18,840 | |
| 5. | Cash (\$.....1,807,117), cash equivalents (\$.....0) and short-term investments (\$.....7,665,740) | 9,472,857 | | 9,472,857 | 12,170,662 |
| 6. | Contract loans (including \$.....0 premium notes) | 6,587,245 | 24,632 | 6,562,613 | 6,393,810 |
| 7. | Other invested assets | 33,182 | 33,182 | | |
| 8. | Receivables for securities | | | | 671,669 |
| 9. | Aggregate write-ins for invested assets | | | | |
| 10. | Subtotals, cash and invested assets (Lines 1 to 9) | 136,053,750 | 186,428 | 135,867,322 | 136,028,143 |
| 11. | Title plants less \$.....0 charged off (for Title insurers only) | | | | |
| 12. | Investment income due and accrued | 1,673,802 | 24,720 | 1,649,082 | 1,578,457 |
| 13. | Premiums and considerations: | | | | |
| 13.1 | Uncollected premiums and agents' balances in the course of collection | 2,021,159 | | 2,021,159 | 2,515,878 |
| 13.2 | Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$.....0 earned but unbilled premiums) | 3,821,991 | | 3,821,991 | 2,707,150 |
| 13.3 | Accrued retrospective premiums | | | | |
| 14. | Reinsurance: | | | | |
| 14.1 | Amounts recoverable from reinsurers | 2,396,413 | | 2,396,413 | 1,523,226 |
| 14.2 | Funds held by or deposited with reinsured companies | 933,903 | | 933,903 | 935,130 |
| 14.3 | Other amounts receivable under reinsurance contracts | 4,566,560 | 4,139 | 4,562,421 | 5,444,759 |
| 15. | Amounts receivable relating to uninsured plans | | | | |
| 16.1 | Current federal and foreign income tax recoverable and interest thereon | 40,371 | | 40,371 | 40,371 |
| 16.2 | Net deferred tax asset | 12,219,440 | 12,219,440 | | |
| 17. | Guaranty funds receivable or on deposit | | | | |
| 18. | Electronic data processing equipment and software | 37,311 | 33,528 | 3,783 | 3,978 |
| 19. | Furniture and equipment, including health care delivery assets (\$.....0) | 5,115 | 5,115 | | |
| 20. | Net adjustments in assets and liabilities due to foreign exchange rates | | | | |
| 21. | Receivables from parent, subsidiaries and affiliates | | | | |
| 22. | Health care (\$.....0) and other amounts receivable | | | | |
| 23. | Aggregate write-ins for other than invested assets | 10,506,986 | 1,776,595 | 8,730,391 | 8,633,793 |
| 24. | Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) | 174,276,801 | 14,249,965 | 160,026,836 | 159,410,885 |
| 25. | From Separate Accounts, Segregated Accounts and Protected Cell Accounts | | | | |
| 26. | Total (Lines 24 and 25) | 174,276,801 | 14,249,965 | 160,026,836 | 159,410,885 |
| DETAILS OF WRITE-INS | | | | | |
| 0901. | ..... |  |  |  |  |
| 0902. | ..... |  |  |  |  |
| 0903. | ..... |  |  |  |  |
| 0998. | Summary of remaining write-ins for Line 9 from overflow page | | | | |
| 0999. | TOTALS (Lines 0901 through 0903 plus 0998) (Line 9 above) | | | | |
| 2301. | CSV OFFICERS INSURANCE | 8,451,938 | | 8,451,938 | 8,530,524 |
| 2302. | NOTES RECEIVABLE - EDH | | | | |
| 2303. | ADVANCES TO AGENTS | 557,685 | 557,685 | | |
| 2398. | Summary of remaining write-ins for Line 23 from overflow page | 1,497,363 | 1,218,910 | 278,453 | 103,269 |
| 2399. | TOTALS (Lines 2301 through 2303 plus 2398) (Line 23 above) | 10,506,986 | 1,776,595 | 8,730,391 | 8,633,793 |

LIABILITIES, SURPLUS AND OTHER FUNDS

| | | 1 | 2 |
|----------------------|---|------------------------------|---------------------------|
| | | Current Statement Date | December 31 Prior Year |
| 1. | Aggregate reserve for life contracts \$.....126,659,382 less \$.....0 included in Line 6.3 (including \$.....27,248,730 Modco Reserve) . | 126,659,382 | 125,526,038 |
| 2. | Aggregate reserve for accident and health contracts (including \$.....0 Modco Reserve) | 507,071 | 423,509 |
| 3. | Liability for deposit-type contracts (including \$.....0 Modco Reserve) | 2,734,981 | 2,725,605 |
| 4. | Contract claims: | | |
| 4.1 | Life | 8,417,590 | 8,278,749 |
| 4.2 | Accident and health | 103,071 | 180,653 |
| 5. | Policyholders' dividends \$.....0 and coupons \$.....0 due and unpaid | | |
| 6. | Provision for policyholders' dividends and coupons payable in following calendar year - estimated amounts: | | |
| 6.1 | Dividends apportioned for payment (including \$.....0 Modco) | 499,265 | 549,346 |
| 6.2 | Dividends not yet apportioned (including \$.....0 Modco) | | |
| 6.3 | Coupons and similar benefits (including \$.....0 Modco) | | |
| 7. | Amount provisionally held for deferred dividend policies not included in Line 6 | | |
| 8. | Premiums and annuity considerations for life and accident & health contracts received in advance less \$.....0 discount; including \$.....13,695 accident and health premiums | 139,434 | 222,315 |
| 9. | Contract liabilities not included elsewhere: | | |
| 9.1 | Surrender values on canceled contracts | | |
| 9.2 | Provision for experience rating refunds, including \$.....0 accident and health experience rating refunds | | |
| 9.3 | Other amounts payable on reinsurance; including \$.....0 assumed and \$.....0 ceded | | |
| 9.4 | Interest Maintenance Reserve | | |
| 10. | Commissions to agents due or accrued-life and annuity contracts \$.....0, accident and health \$.....0 and deposit-type contract funds \$.....0 | 200,000 | 294,009 |
| 11. | Commissions and expense allowances payable on reinsurance assumed | 252,224 | 81,284 |
| 12. | General expenses due or accrued | 607,629 | 916,942 |
| 13. | Transfers to Separate Accounts due or accrued (net) (Including \$.....0 accrued for expense allowances recognized in reserves, net of reinsured allowances) | | |
| 14. | Taxes, licenses and fees due or accrued, excluding federal income taxes | (71,568) | (25,123) |
| 15.1 | Current federal and foreign income taxes, including \$.....0 on realized capital gains (losses) | | |
| 15.2 | Net deferred tax liability | | |
| 16. | Unearned investment income | 1,248,342 | 63,975 |
| 17. | Amounts withheld or retained by company as agent or trustee | 67,397 | (144,835) |
| 18. | Amounts held for agents' account, including \$.....0 agents' credit balances | (174,075) | (151,047) |
| 19. | Remittances and items not allocated | 541,326 | 441,136 |
| 20. | Net adjustment in assets and liabilities due to foreign exchange rates | | |
| 21. | Liability for benefits for employees and agents if not included above | 3,432,846 | 3,958,985 |
| 22. | Borrowed money \$.....0 and interest thereon \$.....0 | | |
| 23. | Dividends to stockholders declared and unpaid | | |
| 24. | Miscellaneous liabilities: | | |
| 24.1 | Asset valuation reserve | 305,007 | 608,371 |
| 24.2 | Reinsurance in unauthorized companies | | |
| 24.3 | Funds held under reinsurance treaties with unauthorized reinsurers | | |
| 24.4 | Payable to parent, subsidiaries and affiliates | | |
| 24.5 | Drafts outstanding | 169,613 | 164,472 |
| 24.6 | Liability for amounts held under uninsured plans | | |
| 24.7 | Funds held under coinsurance | 3,018,543 | 2,915,105 |
| 24.8 | Payable for securities | | |
| 24.9 | Capital notes \$.....0 and interest thereon \$.....0 | | |
| 25. | Aggregate write-ins for liabilities | 2,886,345 | 2,886,345 |
| 26. | Total Liabilities excluding Separate Accounts business (Lines 1 to 25) | 151,544,423 | 149,915,834 |
| 27. | From Separate Accounts Statement | | |
| 28. | Total Liabilities (Lines 26 and 27) | 151,544,423 | 149,915,834 |
| 29. | Common capital stock | | |
| 30. | Preferred capital stock | | |
| 31. | Aggregate write-ins for other than special surplus funds | | |
| 32. | Surplus notes | | |
| 33. | Gross paid in and contributed surplus | | |
| 34. | Aggregate write-ins for special surplus funds | 8,101,708 | 8,156,539 |
| 35. | Unassigned funds (surplus) | 380,705 | 1,338,512 |
| 36. | Less treasury stock, at cost: | | |
| 36.1 |0 shares common (value included in Line 29 \$.....0) | | |
| 36.2 |0 shares preferred (value included in Line 30 \$.....0) | | |
| 37. | Surplus (Total Lines 31 to 35, Less 36) (including \$.....0 in Separate Accounts Statement) | 8,482,413 | 9,495,051 |
| 38. | Totals of Lines 29, 30 and 37 | 8,482,413 | 9,495,051 |
| 39. | Totals of Lines 28 and 38 | 160,026,836 | 159,410,885 |
| DETAILS OF WRITE-INS | | | |
| 2501. | GROUP LIFE FUNDS HELD ON DEPOSIT | 2,886,345 | 2,886,345 |
| 2502. | ..... |  |  |
| 2503. | ..... |  |  |
| 2598. | Summary of remaining write-ins for Line 25 from overflow page | | |
| 2599. | TOTALS (Lines 2501 through 2503 plus 2598) (Line 25 above) | 2,886,345 | 2,886,345 |
| 3101. | ..... |  |  |
| 3102. | ..... |  |  |
| 3103. | ..... |  |  |
| 3198. | Summary of remaining write-ins for Line 31 from overflow page | | |
| 3199. | TOTALS (Lines 3101 through 3103 plus 3198) (Line 31 above) | | |
| 3401. | APPROPRIATION OF DESTRENGTHENED RESERVES | 751,504 | 751,505 |
| 3402. | SURPLUS FROM REINSURANCE | 7,350,204 | 7,405,034 |
| 3403. | ..... |  |  |
| 3498. | Summary of remaining write-ins for Line 34 from overflow page | | |
| 3499. | TOTALS (Lines 3401 through 3403 plus 3498) (Line 34 above) | 8,101,708 | 8,156,539 |

SUMMARY OF OPERATIONS

| | 1 | 2 | 3 |
|---|--------------|-------------|------------------|
| | Current Year | Prior Year | Prior Year Ended |
| | To Date | To Date | December 31 |
| 1. Premiums and annuity considerations for life and accident and health contracts | 8,635,271 | 6,911,554 | 37,311,837 |
| 2. Considerations for supplementary contracts with life contingencies | | | |
| 3. Net investment income | 1,963,664 | 1,559,255 | 7,326,219 |
| 4. Amortization of Interest Maintenance Reserve (IMR) | 31,584 | 51,778 | 215,296 |
| 5. Separate Accounts net gain from operations excluding unrealized gains or losses | | | |
| 6. Commissions and expense allowances on reinsurance ceded | 1,188,003 | 1,153,600 | 12,147,768 |
| 7. Reserve adjustments on reinsurance ceded | 319,946 | 44,091 | 23,706,148 |
| 8. Miscellaneous Income: | | | |
| 8.1 Income from fees associated with investment management, administration and contract guarantees from Separate Accounts | | | |
| 8.2 Charges and fees for deposit-type contracts | | | |
| 8.3 Aggregate write-ins for miscellaneous income | 35,709 | 70,572 | (157,379) |
| 9. Totals (Lines 1 to 8.3) | 12,174,177 | 9,790,850 | 80,549,889 |
| 10. Death benefits | 6,165,124 | 5,705,562 | 24,985,211 |
| 11. Matured endowments (excluding guaranteed annual pure endowments) | (372,439) | 122,883 | 249,588 |
| 12. Annuity benefits | | | |
| 13. Disability benefits and benefits under accident and health contracts | 144,997 | 113,657 | 579,596 |
| 14. Coupons, guaranteed annual pure endowments and similar benefits | | | |
| 15. Surrender benefits and withdrawals for life contracts | 572,340 | 414,927 | 2,315,760 |
| 16. Group conversions | 10,621 | 9,465 | 17,494 |
| 17. Interest and adjustments on contract or deposit-type contract funds | 26,549 | (8,412) | 4,425 |
| 18. Payments on supplementary contracts with life contingencies | 391 | 391 | 8,287 |
| 19. Increase in aggregate reserves for life and accident and health contracts | 1,216,905 | 334,050 | 29,379,771 |
| 20. TOTALS (Lines 10 to 19) | 7,764,488 | 6,692,523 | 57,540,132 |
| 21. Commissions on premiums, annuity considerations, and deposit type contract funds (direct business only) | 501,698 | 652,014 | 2,190,835 |
| 22. Commissions and expense allowances on reinsurance assumed | 353,718 | 319,313 | 8,202,049 |
| 23. General insurance expenses | 3,551,530 | 3,775,220 | 15,715,293 |
| 24. Insurance taxes, licenses and fees, excluding federal income taxes | 345,544 | 355,651 | 1,380,125 |
| 25. Increase in loading on deferred and uncollected premiums | 53,832 | (736,806) | (683,829) |
| 26. Net transfers to or (from) Separate Accounts, net of reinsurance | | | |
| 27. Aggregate write-ins for deductions | 75,701 | (73,616) | 216,610 |
| 28. Totals (Lines 20 to 27) | 12,646,511 | 10,984,299 | 84,561,215 |
| 29. Net gain from operations before dividends to policyholders and federal income taxes (Line 9 minus Line 28) | (472,333) | (1,193,448) | (4,011,326) |
| 30. Dividends to policyholders | 55,372 | 101,789 | 522,764 |
| 31. Net gain from operations after dividends to policyholders and before federal income taxes (Line 29 minus Line 30) | (527,705) | (1,295,237) | (4,534,090) |
| 32. Federal and foreign income taxes incurred (excluding tax on capital gains) | | | |
| 33. Net gain from operations after dividends to policyholders and federal income taxes and before realized capital gains or (losses) (Line 31 minus Line 32) | (527,705) | (1,295,237) | (4,534,090) |
| 34. Net realized capital gains (losses) (excluding gains (losses) transferred to the IMR) less capital gains tax of \$.....0 (excluding taxes of \$.....0 transferred to the IMR) | (700,539) | 8,366 | 124,265 |
| 35. Net income (Line 33 plus Line 34) | (1,228,244) | (1,286,871) | (4,409,825) |
| CAPITAL AND SURPLUS ACCOUNT | | | |
| 36. Capital and surplus, December 31, prior year | 9,495,051 | 12,971,474 | 12,971,474 |
| 37. Net Income (Line 35) | (1,228,244) | (1,286,871) | (4,409,825) |
| 38. Change in net unrealized capital gains (losses) less capital gains tax of \$.....0 | (577,738) | 279,045 | 251,492 |
| 39. Change in net unrealized foreign exchange capital gain (loss) | | | |
| 40. Change in net deferred income tax | | | 1,225,487 |
| 41. Change in nonadmitted assets | 269,096 | 848,966 | 72,913 |
| 42. Change in liability for reinsurance in unauthorized companies | | | |
| 43. Change in reserve on account of change in valuation basis, (increase) or decrease | | | |
| 44. Change in asset valuation reserve | 303,363 | (19,176) | 138,029 |
| 45. Change in treasury stock | | | |
| 46. Surplus (contributed to) withdrawn from Separate Accounts during period | | | |
| 47. Other changes in surplus in Separate Accounts Statement | | | |
| 48. Change in surplus notes | | | |
| 49. Cumulative effect of changes in accounting principles | | | |
| 50. Capital changes: | | | |
| 50.1 Paid in | | | |
| 50.2 Transferred from surplus (Stock Dividend) | | | |
| 50.3 Transferred to surplus | | | |
| 51. Surplus adjustment: | | | |
| 51.1 Paid in | | | |
| 51.2 Transferred to capital (Stock Dividend) | | | |
| 51.3 Transferred from capital | | | |
| 51.4 Change in surplus as a result of reinsurance | (54,830) | (54,813) | (222,473) |
| 52. Dividends to stockholders | | | |
| 53. Aggregate write-ins for gains and losses in surplus | 275,715 | (113,976) | (532,046) |
| 54. Net change in capital and surplus (Lines 37 through 53) | (1,012,638) | (346,825) | (3,476,422) |
| 55. Capital and surplus as of statement date (Lines 36 + 54) | 8,482,413 | 12,624,648 | 9,495,051 |
| DETAILS OF WRITE-INS | | | |
| 08.301. MISCELLANEOUS INCOME | 26,058 | 2,506 | 121,610 |
| 08.302. ADMINISTRATIVE SERVICE CHARGES | 32,121 | (2,251) | 146,467 |
| 08.303. OI CHANGE IN CONVERSION POOL ASSETS-ASSUMED | | 4,902 | (349,735) |
| 08.398. Summary of remaining write-ins for Line 8.3 from overflow page | (22,469) | 65,415 | (75,721) |
| 08.399. TOTALS (Lines 08.301 through 08.303 plus 08.398) (Line 8.3 above) | 35,709 | 70,572 | (157,379) |
| 2701. DEFERRED COMP | 79,468 | 104,229 | 670,963 |
| 2702. OTHER DEDUCTIONS | (3,767) | | (432,784) |
| 2703. INC (DEC) IN GRP FUNDS ON DEPOSIT | | (63,939) | (23,714) |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | | (113,906) | 2,145 |
| 2799. TOTALS (Lines 2701 through 2703 plus 2798) (Line 27 above) | 75,701 | (73,616) | 216,610 |
| 5301. SURPLUS INC / DEC -PPA FOR AUDIT ADJUSTMENTS | | (113,976) | |
| 5302. SURPLUS INC / DEC - OTHER PRIOR PERIOD ADJUSTMENTS | 199,000 | | (830,323) |
| 5303. SURPLUS INC / DEC - PRIOR PERIOD ADJUSTMENT - 2008 AUDIT ADJUSTMENTS | 76,715 | | 298,278 |
| 5398. Summary of remaining write-ins for Line 53 from overflow page | | | |
| 5399. TOTALS (Lines 5301 through 5303 plus 5398) (Line 53 above) | 275,715 | (113,976) | (532,046) |

CASH FLOW

| | | 1 Current Year To Date | 2 Prior Year Ended December 31 |
|---|--|---------------------------------|---|
| Cash from Operations | | | |
| 1. | Premiums collected net of reinsurance | 7,878,436 | 39,689,177 |
| 2. | Net investment income | 1,894,092 | 7,526,654 |
| 3. | Miscellaneous income | 1,223,712 | 35,696,537 |
| 4. | Total (Lines 1 to 3) | 10,996,240 | 82,912,368 |
| 5. | Benefit and loss related payments | 7,039,564 | 29,324,875 |
| 6. | Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts | | |
| 7. | Commissions, expenses paid and aggregate write-ins for deductions | 5,097,325 | 26,724,272 |
| 8. | Dividends paid to policyholders | 105,453 | 427,211 |
| 9. | Federal and foreign income taxes paid (recovered) net of \$.....0 tax on capital gains (losses) | | |
| 10. | Total (Lines 5 through 9) | 12,242,342 | 56,476,358 |
| 11. | Net cash from operations (Line 4 minus Line 10) | (1,246,101) | 26,436,010 |
| Cash from Investments | | | |
| 12. | Proceeds from investments sold, matured or repaid: | | |
| 12.1 | Bonds | 4,917,608 | 41,247,258 |
| 12.2 | Stocks | | 43,750 |
| 12.3 | Mortgage loans | 887,911 | 1,750,031 |
| 12.4 | Real estate | | 218,376 |
| 12.5 | Other invested assets | | 7,800 |
| 12.6 | Net gains or (losses) on cash, cash equivalents and short-term investments | | |
| 12.7 | Miscellaneous proceeds | 1,375,360 | |
| 12.8 | Total investment proceeds (Lines 12.1 to 12.7) | 7,180,879 | 43,267,215 |
| 13. | Cost of investments acquired (long-term only): | | |
| 13.1 | Bonds | 7,506,451 | 60,271,572 |
| 13.2 | Stocks | | 62,810 |
| 13.3 | Mortgage loans | 1,255,598 | 2,781,383 |
| 13.4 | Real estate | | 166,984 |
| 13.5 | Other invested assets | | |
| 13.6 | Miscellaneous applications | 46,496 | 624,571 |
| 13.7 | Total investments acquired (Lines 13.1 to 13.6) | 8,808,545 | 63,907,320 |
| 14. | Net increase (or decrease) in contract loans and premium notes | (12,800) | 1,644,656 |
| 15. | Net cash from investments (Line 12.8 minus Lines 13.7 and 14) | (1,614,866) | (22,284,761) |
| Cash from Financing and Miscellaneous Sources | | | |
| 16. | Cash provided (applied): | | |
| 16.1 | Surplus notes, capital notes | | |
| 16.2 | Capital and paid in surplus, less treasury stock | | |
| 16.3 | Borrowed funds | | |
| 16.4 | Net deposits on deposit-type contracts and other insurance liabilities | 9,376 | (70,535) |
| 16.5 | Dividends to stockholders | | |
| 16.6 | Other cash provided (applied) | 153,786 | 1,158,886 |
| 17. | Net cash from financing and miscellaneous sources (Lines 16.1 through 16.4 minus Line 16.5 plus Line 16.6) | 163,162 | 1,088,351 |
| RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS | | | |
| 18. | Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) | (2,697,805) | 5,239,600 |
| 19. | Cash, cash equivalents and short-term investments: | | |
| 19.1 | Beginning of year | 12,170,662 | 6,931,060 |
| 19.2 | End of period (Line 18 plus Line 19.1) | 9,472,857 | 12,170,660 |

Supplemental Disclosures of Cash Flow Information for Non-Cash Transactions:

| Description | | Amount 1 | Amount 2 |
|-------------|-------|-------------|-------------|
| 20.0001 | | | |

EXHIBIT 1
DIRECT PREMIUMS AND DEPOSIT - TYPE CONTRACTS

| | | 1 | 2 | 3 |
|-----------------------------|---|-------------------------|-----------------------|---------------------------------|
| | | Current Year To Date | Prior Year To Date | Prior Year Ended December 31 |
| 1. | Industrial life | 373,534 | 154,442 | 562,536 |
| 2. | Ordinary life insurance | 3,481,355 | 3,140,855 | 12,838,327 |
| 3. | Ordinary individual annuities | 120,231 | 75,584 | 387,575 |
| 4. | Credit life (group and individual) | | | |
| 5. | Group life insurance | 790,516 | 1,728,846 | 6,750,180 |
| 6. | Group annuities | | | |
| 7. | A & H - group | 883,226 | 351,639 | 2,968,467 |
| 8. | A & H - credit (group and individual) | | | |
| 9. | A & H - other | 86,611 | 99,804 | 385,587 |
| 10. | Aggregate of all other lines of business | | | |
| 11. | Subtotal | 5,735,473 | 5,551,169 | 23,892,672 |
| 12. | Deposit-type contracts | | | |
| 13. | Total | 5,735,473 | 5,551,169 | 23,892,672 |
| DETAILS OF WRITE-INS | | | | |
| 1001. | ..... |  |  |  |
| 1002. | ..... |  |  |  |
| 1003. | ..... |  |  |  |
| 1098. | Summary of remaining write-ins for Line 10 from overflow page | | | |
| 1099. | Totals (Lines 1001 through 1003 plus 1098) (Line 10 above) | | | |

Notes to Financial Statement

1. Summary of Significant Accounting Policies

- A. The financial statements of North Carolina Mutual Life Insurance Company (“Company” or “NCM”) have been completed in accordance with the National Association of Insurance Commissioners (“NAIC”) Accounting Practices and Procedures Manual. The State of North Carolina Department of Insurance (“NCDOI”) recognizes only statutory accounting practices prescribed or permitted by the State of North Carolina for determining and reporting the financial condition and results of operations of an insurance company, for determining its solvency under North Carolina General Statutes. The NAIC Accounting Practices and Procedures manual has been adopted as a component of prescribed or permitted practices by the State of North Carolina.
- B. Use of Estimates in the Preparation of the Financial Statements.

The preparation of the financial statements in conformity with Statements of Statutory Accounting Principles (SSAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Life premiums are recognized as income over the premium paying period of the related policies. Annuity considerations are recognized as revenue when received. Health premiums are earned ratably over the terms of the related insurance and reinsurance contracts or policies. Beginning in 2005, reinsurance treaties not conforming to the requirements of SSAP No. 61, *Life, Deposit-Type and Accident and Health Insurance*, and Appendix A-791, *Life and Health Reinsurance Agreements*, utilize deposit accounting (see Note 2A). Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company’s Board of Directors. The aggregate amount of policyholders’ dividends is related to actual interest, mortality, morbidity and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the Company uses the following accounting policies:

1. Short-term investments are stated at amortized cost.
2. Non-investment grade bonds and loan-backed and structured securities with a NAIC designation of “6” are reported at the lower of amortized cost or fair value; investment grade bonds are reported at amortized cost.
3. Common stocks are stated at market.
4. Preferred stocks are stated at cost, redeemable preferred stocks with NAIC designations 4 to 6 are reported at the lower of cost, amortized cost, or fair value and perpetual preferred stocks with a NAIC designation of 4 to 6 are reported at the lower of cost or fair value.
5. Mortgage loans on real estate are stated at the aggregate unpaid balance.
6. Loan-backed and structured securities are stated at amortized cost using the interest method including anticipated prepayments at the date of purchase, except for those with an NAIC designation of 6 which shall be reported at the lower of amortized cost or fair value.
7. On a quarterly basis, the Company reviews individual instances within its debt and equity portfolios for unrealized losses and makes a judgment whether the decline in fair value is deemed to be “other than temporary.”
8. The Company owns 10.55% interest in Piedmont Investment Advisors, LLC, an investment advisory service company. The security is recorded using the equity method as prescribed in SSAP No. 97.
9. The Company has no derivatives.
10. The investment income was not used as a factor in the premium deficiency calculation.
11. The triangle development method was used to estimate the liabilities including claim expenses for accident and health contracts.
12. Policy loans are stated at the aggregate unpaid balance.
13. The Company uses straight-line depreciation for all of its real estate holdings with lives varying depending upon the type of building.
14. Company occupied investment real estate and properties held for the production of income are stated at depreciated cost less encumbrances. Properties held for sale are reported at lower of cost or depreciated value.
15. The Company reports cash surrender value of life insurance on certain officers net of related policy loans. Policy loans were \$4,852,272 as of March 31, 2009 and \$4,670,041 as of December 31, 2008.

Notes to Financial Statement

2. Accounting Changes and Corrections of Errors
Not applicable.

3. Business Combinations and Goodwill
Not applicable.

4. Discontinued Operations
Not applicable.

5. Investments
A. Mortgage Loans

1. The maximum and minimum lending rates for mortgage loans established during 2009 were:

| | |
|-------------|----------|
| Residential | No Loans |
| Commercial | 6.95% |

2. During 2009, the Company had no reduction in the interest rates of outstanding loans.

3. The maximum percentage of any one real estate mortgage loan to the appraised value of the underlying collateral at the time of the loan was 75%.

| | <u>2009</u> | <u>2008</u> |
|---|-------------|-----------------|
| 4. As of these dates, the Company held mortgages with interest 180 days or more past due with a recorded investment, excluding accrued interest | \$388,456 | \$ 277,362 |
| Total interest due on mortgages with interest 180 days or more past due | \$24,720 | 14,119 |
| 5. Taxes, assessments and any amounts advanced and not included in the mortgage loan total | 0 | 0 |
| 6. Current period/year impaired loans with a related allowance for credit losses | 0 | 0 |
| Related allowance for credit losses | 0 | 0 |
| 7. Impaired mortgage loans without an allowance for credit losses | 408,038 | 408,364 |
| 8. Average recorded investment in impaired loans | 136,013 | 102.091 |
| 9. Interest income recognized during the period the loans were impaired | 0 | 0 |
| 10. The amount of interest income recognized on a cash basis during the period the loans were impaired | 0 | 0 |
| 11. Allowance for credit losses: | | |
| a) Balance at beginning of period | \$ 0 | \$63,040 |
| b) Additions charged to operations | 0 | 0 |
| c) Direct write-downs charged against the allowances | 0 | 0 |
| d) Recoveries of amounts previously charged off | <u>0</u> | <u>(63,040)</u> |
| e) Balance at end of period | <u>\$ 0</u> | <u>\$ 0</u> |

12. The Company recognizes interest income on its impaired loans upon receipt.

13. During the first quarter of 2009, the Company began foreclosure proceedings against loan holders in default of their promissory notes. Foreclosure sale dates have been scheduled, but none have occurred as of March 31, 2009.

B. The Company has no invested assets that are restructured debt.

C. The Company has no investments in reverse mortgages.

Notes to Financial Statement

D. Loan-Back Securities

1. The Company has elected to use the book value as of January 1, 1994 as the cost for applying the retrospective method for securities purchased prior to that date.
2. Prepayment assumptions for single class and multi-class mortgage-backed/asset-backed securities were obtained from broker dealer advices.
3. Loan-backed securities are reported at amortized cost, except those with an NAIC designation 6, which are reported at the lower of amortized cost or market value. The Company used Interactive Data Corporation in determining the market value of its loan-backed securities.

E. Repurchase Agreements

The Company has no investment in repurchase agreements.

F. Real Estate

1. No impairment losses recorded on real estate investments during the statement periods.
2. The Company has not disposed of any real estate property held for sale during the first quarter of 2009.
3. The Company has no plans to change the status of real estate held for sale.
4. The Company does not engage in retail land sale operations

G. Low-Income Housing Tax Credits

The Company has no investment in LIHTC

6. Joint Ventures, Partnerships and Limited Liability Companies

- A. The Company has no investments in Joint Ventures, Partnerships or Liability Companies that exceed 10% of its admitted assets.
- B. During 2009, the Company did not recognize any impairment write-down for its investments in Joint Ventures, Partnerships and Limited Liability Companies.

7. Investment Income

- A. Due and accrued income was excluded from surplus on the following basis:

All investment income due and accrued on bonds in or near default, and other amounts that are over 90 days past due with the exception of mortgage loans in default, which are excluded when 180 days or more past due.

- B. The total amount of due and accrued interest excluded for the quarter ended March 31, 2009 was \$24,720.

8. Derivative Instruments

The Company does not have any derivative instruments.

9. Income Taxes

There was no tax expense for the quarter ending March 31, 2009.

The Company had a loss carryforward of \$19,861,325 at December 31, 2008. In addition, the Company has Alternative Minimum Tax credit carryforward of \$160,275. The Company has no capital loss carryforward at December 31, 2008.

10. Information Concerning Parent, Subsidiaries and Affiliates

Not applicable.

11. Debt

The Company has no capital notes or debentures outstanding.

The Company does not have any reverse repurchase agreements.

12. Retirement Plans, Deferred Compensation, Post-employment Benefits and Compensated Absences and Other Postretirement Benefit Plans

There are no changes.

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

Not applicable.

Notes to Financial Statement

14. Contingencies

- A. Contingent Commitments
No change.
- B. Risk Pool Assessments
Not applicable.
- C. Gain Contingencies
Not applicable.

15. Leases

- A. The Company has no non-cancelable operating leases. Rental expense for the quarter ended March 31, 2009 and 2008 were approximately \$426,271 and \$372,008, respectively.

In connection with sale of the Home Office property in 2006, the Company has entered into an agreement to lease back a portion of the building through 2019, with total future lease obligation of \$15,709,408 as of March 31, 2009.

As of March 31, 2009, there are no other minimum remaining aggregate rental commitments.

In December 2008, the Company entered into a sales-lease back agreement for computers and equipment. The agreement has a future lease obligation of \$312,790 though 2011. The Company has the option at the end of the lease to buy back the equipment for a \$1.

- B. The Company owns and leases real estate. The Company has no leveraged lease transactions.

16. Information About Financial Instruments With Off-Balance Sheet Risk And Financial Instruments With Concentrations of Credit Risk

See Note 14A above.

17. Sales, Transfer and Servicing of Financial Assets and Extinguishing of Liabilities

- A. Transfers of Receivables Reported as Sales
None.
- B. Transfer and Servicing of Financial Assets
None.
- C. Wash Sales
None.

18. Gain or Loss to the Reporting Entity from Uninsured Accident and Health Plans and the Uninsured Portion of Partially Insured Plans

Not applicable.

19. Direct Premium Written/Produced by Managing General Agents/Third-Party Administrators

| Name and Address | FEIN Number | Exclusive Contract | Types of Business Written | Type of Authority Granted | Total Direct Premiums Written/ Produced |
|---|-------------|--------------------|--|---------------------------|---|
| Employers Direct Health, Inc. 5050 Spring Valley Rd. Dallas, TX 75244 | 75-2322062 | No | Group: Medical Dental Life | U, C, CA, P | \$(39) |
| TRISTAR Insurance Services 100 Oceangate, Suite 700 Long Beach, CA 90802 | 20-2101656 | No | Group: Medical Life | U, C, CA, P | \$51,006 |
| Vision Financial Services, Inc. 17 Church St./ P. O. Box 506 Keene, NH 03431-0506 | 02-0430860 | No | Universal Life | U, C, CA, P | \$218,994 |
| Universal Fidelity Life Ins. Co. 2211 North Highway 81. Duncan, OK 73533 | 73-0493220 | No | Individual and Group: Preneed | U, C, CA, P | \$16,868 |

Notes to Financial Statement

| Name and Address | FEIN Number | Exclusive Contract | Types of Business Written | Type of Authority Granted | Total Direct Premiums Written/Produced |
|--|--------------------|---------------------------|----------------------------------|----------------------------------|---|
| Total Plan Services, Inc 14001 Dallas Parkway North Suite 700 Dallas, Texas 75240 | 75-1946277 | No | Group: Medical Life | U, C, CA, P | \$224,118 |
| National Underwriters, Inc. P O Box 3688 Greenville, SC 29608 | 57-1120400 | No | Group: Life | U | \$300 |
| Benefit and Risk Management Services 10860 Gold Center Drive Rancho Cordova, CA 95670 | 68-0306908 | No | Group: Medical | U, C, CA, P | \$423,099 |

21. Other Items

A. Extraordinary Items
Not applicable.

B. Troubled Debt Restructuring
Not applicable.

C. Uncollected Balances
At March 31, 2009 and December 31, 2008, the Company had admitted assets of \$2,021,159 and \$2,515,878, respectively, in accounts receivable for uninsured plans and amounts due from agents. The Company routinely evaluates the collectibility of uncollected premiums and writes off any amounts deemed to be uncollectible. During the quarters ended March 31, 2009 and 2008 the Company recorded write offs of receivables amounting to \$0 and \$0 respectively.

During 2006, the Company entered into a \$5.1 million Note Agreement with one of our Managing General Agents (“MGA”) for premium amounts past due. The terms of the Note call for monthly installments of \$25,000 from September 2006 through February 2009, with a balloon payment on March 1, 2009 equal to the balance of any principal and interest amount then outstanding. The Note Agreement also assigns to the Company certain fees and recoveries normally due to the MGA during the normal course of business. As of March 31, 2009, the Company has reflected \$3,129,000 of such assignments as offsets to the Note after deducting payments received of \$1,124,000 and an uncollectible allowance of \$848,000.

EDH did not honor the scheduled balloon payment on March 1, 2009. At the inception of the note, management evaluated the collectability of the balance due from EDH and determined that full collection of such amounts was doubtful; accordingly an allowance was established as of December 31, 2005. The current allowance exceeds the amount of the balloon payment; therefore, the failure of EDH to make such payment has no impact on reported surplus or net income. Future payments, if any, will result in a positive contribution to earnings and surplus.

D. Business Interruption Insurance Recoveries
Not applicable.

22. Subsequent Events
Not applicable.

23. Reinsurance
A. Ceded Reinsurance Report
Section 1 – General Interrogatories
1. Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by a representative, officer, trustee, or director of the company? Yes () No (X)
2. Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business? Yes () No (X)
Section 2 – Ceded Reinsurance Report – Part A
1. Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credits? Yes () No (X)

- Section 3 – Ceded Reinsurance Report – Part B

- Not applicable.

- Not applicable.

- Not applicable.

- Not applicable.

- Not applicable.

- Not applicable.

- A. Not applicable.

- B. Not applicable.

- A. No Change.

- B. The Company accounts for its policyholder dividends on an accrual basis consistent with SSAP 51 and SSAP 54

- C. The Company recorded dividend expense in the amounts of \$55,372 and \$101,789 to individual life policyholders during the year ending March 31, 2009 and 2008, respectively. The Company established separate liabilities for dividends payable in the next 12 months of \$499,265 and \$549,346 as of March 31, 2009, and December 31, 2008, respectively.

- #### D. None

1. As of March 31, 2009 and 2008, there was no Premium Deficiency Reserve.

Notes to Financial Statement

2. The Company did not consider anticipated investment income when calculating its premium deficiency.

32. Reserves for Life Contracts and Deposit-Type Contracts:
No Change.

33. Analysis of Annuity Actuarial Reserves and Deposit Liabilities by Withdrawal Characteristics
Withdrawal Characteristics of Annuity Actuarial and Deposit Liabilities

| | Exhibit 5B | Exhibit 5C | Exhibit 7 | Total | % of Total |
|---|------------|------------|-----------|-----------|------------|
| A. Subject to discretionary withdrawal | | | | | |
| (1) with market value adjustment | - | - | - | - | 0.0% |
| (2) at book value less surrender charge of 5% or more | 825,693 | - | - | 825,693 | 15.9% |
| (3) at market value | - | - | - | - | 0.0% |
| (4) Total with adjustment or at market value | 825,693 | - | | 825,693 | 15.9% |
| (5) at book value without adjustment | 1,638,910 | | 2,734,981 | 4,373,891 | 84.1% |
| B. Not subject to discretionary withdrawal | - | 2,493 | - | 2,463 | 0.0% |
| C. Total (gross) | 2,464,603 | 2,493 | 2,734,981 | 5,202,047 | 100.0% |
| D. Reinsurance ceded | - | - | - | - | |
| E. Total (net) | 2,464,603 | 2,493 | 2,734,981 | 5,202,047 | 100.0% |

34. Premium and Annuity Considerations Deferred and Uncollected (net of ceded)

| | | Gross | Net |
|-----|------------------------------------|-----------|-----------|
| (1) | Industrial | 37,296 | 7,335 |
| (2) | Ordinary new business (incl. Ann.) | 608,355 | 123,569 |
| (3) | Ordinary renewal (incl. Ann.) | 4,542,616 | 2,545,335 |
| (4) | Credit Life | 0 | 0 |
| (5) | Group Life | 2,273,437 | 2,273,437 |
| (6) | Group Annuity | 0 | 0 |
| (7) | Totals | 7,404,117 | 4,949,677 |

35. Separate Accounts
Not applicable.

36. Loss/Claim Adjustment Expenses
The Company recognized \$349 and \$2,502 in loss/claims adjustment expenses for the years ended March 31, 2009 and 2008, respectively.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted)

PART 1 - COMMON INTERROGATORIES
GENERAL

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes[] No[X]
- 1.2 If yes, has the report been filed with the domiciliary state?

Yes[] No[] N/A[X]
- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes[] No[X]
- 2.2 If yes, date of change:

.....
3. Have there been any substantial changes in the organizational chart since the prior quarter end?
If yes, complete the Schedule Y - Part 1 - organizational chart.

Yes[] No[X]
- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes[] No[X]
- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

| 1 | 2 | 3 |
|----------------|-------------------|-------------------|
| Name of Entity | NAIC Company Code | State of Domicile |
| | | |

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?
If yes, attach an explanation.

Yes[] No[] N/A[X]
- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made.

.....12/31/2005.....
- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

.....12/31/2005.....
- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

.....07/20/2007.....
- 6.4 By what department or departments?
North Carolina Department of Insurance and Delaware Department of Insurance
- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes[] No[] N/A[X]
- 6.6 Have all of the recommendations within the latest financial examination report been complied with?

Yes[] No[] N/A[X]
- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes[] No[X]
- 7.2 If yes, give full information
- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes[] No[X]
- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms?

Yes[] No[X]
- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

| 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|----------------|------------------------|--------------|--------------|--------------|--------------|--------------|
| Affiliate Name | Location (City, State) | FRB | OCC | OTS | FDIC | SEC |
| | | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] | Yes[] No[X] |

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

Yes[X] No[]
- 9.11 If the response to 9.1 is No, please explain:
- 9.2 Has the code of ethics for senior managers been amended?

Yes[] No[X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s).
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?

Yes[] No[X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s).

FINANCIAL

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?

Yes[] No[X]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:

\$.....0

INVESTMENT

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)

Yes[] No[X]
- 11.2 If yes, give full and complete information relating thereto:
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:

\$.....0
13. Amount of real estate and mortgages held in short-term investments:

\$.....0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?

Yes[] No[X]

GENERAL INTERROGATORIES (Continued)

INVESTMENT

14.2 If yes, please complete the following:

| | 1 Prior Year-End Book/Adjusted Carrying Value | 2 Current Quarter Book/Adjusted Carrying Value |
|--|--|---|
| 14.21 Bonds | | |
| 14.22 Preferred Stock | | |
| 14.23 Common Stock | | |
| 14.24 Short-Term Investments | | |
| 14.25 Mortgages Loans on Real Estate | | |
| 14.26 All Other | | |
| 14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26) | | |
| 14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above | | |

15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?
15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?
If no, attach a description with this statement.

Yes[] No[X]
Yes[] No[] N/A[X]

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?
16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

Yes[X] No[]

| 1 Name of Custodian(s) | 2 Custodian Address |
|---------------------------|------------------------|
| U.S. Bank | Washington, DC |

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

| 1 Name(s) | 2 Location(s) | 3 Complete Explanation(s) |
|--------------|------------------|------------------------------|
| | | |

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?
16.4 If yes, give full and complete information relating thereto:

Yes[] No[X]

| 1 Old Custodian | 2 New Custodian | 3 Date of Change | 4 Reason |
|--------------------|--------------------|------------------------|-------------|
| | | | |

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

| 1 Central Registration Depository | 2 Name(s) | 3 Address |
|---|---|------------------|
| 80158025 | Piedmont Investment Advisors, LLC | Durham, NC |

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?
17.2 If no, list exceptions:

Yes[X] No[]

GENERAL INTERROGATORIES

PART 2 - LIFE & HEALTH

| | | |
|------|--|---------------------|
| 1. | Report the statement value of mortgage loans at the end of this reporting period for the following categories: | |
| 1.1 | Long-Term Mortgages in Good Standing | |
| 1.11 | Farm Mortgages | \$ 0 |
| 1.12 | Residential Mortgages | \$ 1,278,486 |
| 1.13 | Commercial Mortgages | \$ 11,075,706 |
| 1.14 | Total Mortgages in Good Standing | \$ 12,354,193 |
| 1.2 | Long-Term Mortgages in Good Standing with Restructured Terms | |
| 1.21 | Total Mortgages in Good Standing with Restructured Terms | \$ 0 |
| 1.3 | Long-Term Mortgage Loans upon which Interest is Overdue more than Three Months | |
| 1.31 | Farm Mortgages | \$ 0 |
| 1.32 | Residential Mortgages | \$ 153,861 |
| 1.33 | Commercial Mortgages | \$ 392,088 |
| 1.34 | Total Mortgages with Interest Overdue more than Three Months | \$ 545,949 |
| 1.4 | Long-Term Mortgage Loans in Process of Foreclosure | |
| 1.41 | Farm Mortgages | \$ 0 |
| 1.42 | Residential Mortgages | \$ 0 |
| 1.43 | Commercial Mortgages | \$ 130,676 |
| 1.44 | Total Mortgages in Process of Foreclosure | \$ 130,676 |
| 1.5 | Total Mortgage Loans (Lines 1.14 + 1.21 + 1.34 + 1.44) (Page 2, Column 3, Lines 3.1 + 3.2) | \$ 13,030,818 |
| 1.6 | Long-Term Mortgages Foreclosed, Properties Transferred to Real Estate in Current Quarter | |
| 1.61 | Farm Mortgages | \$ 0 |
| 1.62 | Residential Mortgages | \$ 0 |
| 1.63 | Commercial Mortgages | \$ 0 |
| 1.64 | Total Mortgages Foreclosed and Transferred to Real Estate | \$ 0 |

SCHEDULE S - CEDED REINSURANCE
Showing All New Reinsurance Treaties - Current Year to Date

| 1 NAIC Company Code | 2 Federal ID Number | 3 Effective Date | 4 Name of Reinsurer | 5 Location | 6 Type of Reinsurance Ceded | 7 Is Insurer Authorized? (Yes or No) |
|------------------------------|------------------------------|------------------------|------------------------|---------------|--------------------------------------|---|
| | | | <div>NONE</div> | | | |
| | | | | | | |

SCHEDULE T - PREMIUMS AND ANNUITY CONSIDERATIONS
Current Year To Date - Allocated by States and Territories

| | | 1 | Direct Business Only | | | | | |
|----------------------|--|---------------|-------------------------|------------------------|---|----------------------|---------------------------|------------------------|
| | | | Life Contracts | | 4 | 5 | 6 | 7 |
| | | | 2 | 3 | | | | |
| States, Etc. | | Active Status | Life Insurance Premiums | Annuity Considerations | Accident and Health Insurance Premiums, Including Policy, Membership and Other Fees | Other Considerations | Total Columns 2 Through 5 | Deposit-Type Contracts |
| 1. | Alabama (AL) | L | 61,438 | | 170 | | 61,608 | |
| 2. | Alaska (AK) | N | | | | | | |
| 3. | Arizona (AZ) | L | | | | | | |
| 4. | Arkansas (AR) | N | | | | | | |
| 5. | California (CA) | L | 13,634 | | 585,040 | | 598,674 | |
| 6. | Colorado (CO) | N | | | | | | |
| 7. | Connecticut (CT) | N | 58 | | | | 58 | |
| 8. | Delaware (DE) | N | (6) | | | | (6) | |
| 9. | District of Columbia (DC) | L | 148,255 | 2,044 | 3,434 | | 153,734 | |
| 10. | Florida (FL) | L | 102,495 | | 79 | | 102,575 | |
| 11. | Georgia (GA) | L | 395,981 | 6,132 | 96,760 | | 498,873 | |
| 12. | Hawaii (HI) | N | | | | | | |
| 13. | Idaho (ID) | L | 5 | | | | 5 | |
| 14. | Illinois (IL) | L | 1,070,975 | 175 | 273 | | 1,071,423 | |
| 15. | Indiana (IN) | L | 5,572 | | 37,557 | | 43,130 | |
| 16. | Iowa (IA) | N | | | | | | |
| 17. | Kansas (KS) | N | 92 | | | | 92 | |
| 18. | Kentucky (KY) | L | 33 | | 137 | | 170 | |
| 19. | Louisiana (LA) | L | 20,433 | | 67,864 | | 88,297 | |
| 20. | Maine (ME) | N | | | | | | |
| 21. | Maryland (MD) | L | 273,868 | 4,346 | 1,771 | | 279,986 | |
| 22. | Massachusetts (MA) | N | 137 | | | | 137 | |
| 23. | Michigan (MI) | L | 246,798 | 2,324 | 1,785 | | 250,907 | |
| 24. | Minnesota (MN) | N | | | | | | |
| 25. | Mississippi (MS) | L | 50,523 | | | | 50,523 | |
| 26. | Missouri (MO) | L | 397 | | | | 397 | |
| 27. | Montana (MT) | N | | | | | | |
| 28. | Nebraska (NE) | N | | | | | | |
| 29. | Nevada (NV) | L | | | | | | |
| 30. | New Hampshire (NH) | N | 32 | | | | 32 | |
| 31. | New Jersey (NJ) | L | 130,028 | 942 | 563 | | 131,532 | |
| 32. | New Mexico (NM) | N | | | | | | |
| 33. | New York (NY) | N | 1,562 | | 45 | | 1,607 | |
| 34. | North Carolina (NC) | L | 1,093,067 | 94,705 | 298,666 | | 1,486,438 | |
| 35. | North Dakota (ND) | N | | | | | | |
| 36. | Ohio (OH) | L | 6,143 | | 41 | | 6,184 | |
| 37. | Oklahoma (OK) | L | 45 | | | | 45 | |
| 38. | Oregon (OR) | N | | | | | | |
| 39. | Pennsylvania (PA) | L | 308,238 | 1,025 | 1,418 | | 310,681 | |
| 40. | Rhode Island (RI) | N | | | | | | |
| 41. | South Carolina (SC) | L | 173,633 | 1,211 | 11,809 | | 186,653 | |
| 42. | South Dakota (SD) | N | | | | | | |
| 43. | Tennessee (TN) | L | 123,811 | 4,874 | 11,771 | | 140,456 | |
| 44. | Texas (TX) | L | 7,292 | | (40) | | 7,253 | |
| 45. | Utah (UT) | N | | | | | | |
| 46. | Vermont (VT) | N | | | | | | |
| 47. | Virginia (VA) | L | 250,507 | 2,578 | 12,557 | | 265,642 | |
| 48. | Washington (WA) | N | 58 | | | | 58 | |
| 49. | West Virginia (WV) | N | | | | | | |
| 50. | Wisconsin (WI) | N | 13 | | | | 13 | |
| 51. | Wyoming (WY) | N | | | | | | |
| 52. | American Samoa (AS) | N | | | | | | |
| 53. | Guam (GU) | N | | | | | | |
| 54. | Puerto Rico (PR) | N | | | | | | |
| 55. | U.S. Virgin Islands (VI) | N | | | | | | |
| 56. | Northern Mariana Islands (MP) | N | | | | | | |
| 57. | Canada (CN) | N | | | | | | |
| 58. | Aggregate other alien (OT) | X X X | | | | | | |
| 59. | Subtotal | (a) 25 | 4,485,120 | 120,355 | 1,131,702 | | 5,737,177 | |
| 90. | Reporting entity contributions for employee benefits plans | X X X | 29,718 | | | | 29,718 | |
| 91. | Dividends or refunds applied to purchase paid-up additions and annuities | X X X | 73,290 | | | | 73,290 | |
| 92. | Dividends or refunds applied to shorten endowment or premium paying period | X X X | | | | | | |
| 93. | Premium or annuity considerations waived under disability or other contract provisions | X X X | 60,871 | | | | 60,871 | |
| 94. | Aggregate other amounts not allocatable by State | X X X | | | | | | |
| 95. | Totals (Direct Business) | X X X | 4,648,999 | 120,355 | 1,131,702 | | 5,901,055 | |
| 96. | Plus Reinsurance Assumed | X X X | 6,277,780 | | 608 | | 6,278,388 | |
| 97. | Totals (All Business) | X X X | 10,926,778 | 120,355 | 1,132,310 | | 12,179,443 | |
| 98. | Less Reinsurance Ceded | X X X | 2,868,508 | | 703,205 | | 3,571,713 | |
| 99. | Totals (All Business) less Reinsurance Ceded | X X X | 8,058,270 | 120,355 | 429,105 | | 8,607,731 | |
| DETAILS OF WRITE-INS | | | | | | | | |
| 5801. | ..... | X X X | | | | | | |
| 5802. | ..... | X X X | | | | | | |
| 5803. | ..... | X X X | | | | | | |
| 5898. | Summary of remaining write-ins for Line 58 from overflow page | X X X | | | | | | |
| 5899. | TOTAL (Lines 5801 through 5803 plus 5898) (Line 58 above) .. | X X X | | | | | | |
| 9401. | ..... | X X X | | | | | | |
| 9402. | ..... | X X X | | | | | | |
| 9403. | ..... | X X X | | | | | | |
| 9498. | Summary of remaining write-ins for Line 94 from overflow page | X X X | | | | | | |
| 9499. | TOTAL (Lines 9401 through 9403 plus 9498) (Line 94 above) .. | X X X | | | | | | |

(a) Insert the number of L responses except for Canada and Other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER
MEMBERS OF A HOLDING COMPANY GROUP
PART 1 - ORGANIZATIONAL CHART

**NORTH CAROLINA MUTUAL
LIFE INSURANCE COMPANY**

FEIN 56-0340860

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of NO to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter SEE EXPLANATION and provide an explanation following the interrogatory questions.

| | RESPONSES |
|--|-----------|
| 1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? | No |
| 2. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? | No |
| 3. Will the Reasonableness of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? | No |
| 4. Will the Reasonableness of Consistency of Assumptions Certification required by Actuarial Guideline XXXV be filed with the state of domicile and electronically with the NAIC? | No |
| 5. Will the Reasonableness of Assumptions Certification for Implied Guaranteed Rate Method required by Actuarial Guideline XXXVI be filed with the state of domicile and electronically with the NAIC? | No |
| 6. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Average Market Value) be filed with the state of domicile and electronically with the NAIC? | No |
| 7. Will the Reasonableness and Consistency of Assumptions Certification required by Actuarial Guideline XXXVI (Updated Market Value) be filed with the state of domicile and electronically with the NAIC? | No |

Explanations:

Bar Codes:

Trusteed Surplus Statement



Medicare Part D Coverage Supplement



Reasonableness 1 - Assumptions



Reasonableness 2 - Consistency



Reasonableness 3 - Implied Guarantee



Reasonableness 4 - Ave. Market Value



Reasonableness 5 - Market Value



OVERFLOW PAGE FOR WRITE-INS

ASSETS

| | Current Statement Date | | | 4 December 31, Prior Year Net Admitted Assets |
|--|------------------------|--------------------------------|--|--|
| | 1 Assets | 2 Nonadmitted Assets | 3 Net Admitted Assets (Cols. 1 - 2) | |
| 2304. NEGATIVE IMR | 479,776 | 479,776 | | |
| 2305. PREPAID RENT / EXPENSES | 130,630 | 130,630 | | |
| 2306. A/R SE DURHAM DEVELOPMENT CORP | 91,063 | 91,063 | | |
| 2307. OTHER AMOUNTS RECEIVABLE | 306,593 | 28,140 | 278,453 | 103,269 |
| 2308. NAL RECEIVABLE | 334 | 334 | | 0 |
| 2309. PERSONAL LOANS TO EMPLOYEES | 436 | 436 | | |
| 2310. NON QUALIFIED PENSION BENEFIT ASSETS | 488,532 | 488,532 | | |
| 2397. Summary of remaining write-ins for Line 23 (Lines 2304 through 2396) | 1,497,363 | 1,218,910 | 278,453 | 103,269 |

SUMMARY OF OPERATIONS

| | 1 Current Year To Date | 2 Prior Year To Date | 3 Prior Year Ended December 31 |
|---|------------------------------|----------------------------|--------------------------------------|
| 08.304. INC (DEC) ON FUNDS HELD ASSET | (1,227) | (14,805) | (22,352) |
| 08.305. CASH OVER / SHORT | 279 | (2,457) | 1,459 |
| 08.306. DEPOSIT ACCOUNTING INCOME | (21,521) | 82,677 | (54,828) |
| 08.397. Summary of remaining write-ins for Line 8.3 (Lines 08.304 through 08.396) | (22,469) | 65,415 | (75,721) |
| 2704. INC (DEC) IN CASH SURRENDER VALUE | | (113,393) | |
| 2705. LEGAL SETTLEMENT | | (514) | 2,145 |
| 2797. Summary of remaining write-ins for Line 27 (Lines 2704 through 2796) | | (113,906) | 2,145 |

STATEMENT AS OF **March 31, 2009** OF THE **NORTH CAROLINA MUTUAL LIFE INSURANCE COMPANY**

SCHEDULE A - VERIFICATION

| Real Estate | | |
|---|--------------|---------------------------------|
| | 1 | 2 |
| | Year To Date | Prior Year Ended December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year | 18,840 | 24,324 |
| 2. Cost of acquired | | |
| 2.1 Actual cost at time of acquisition | | 166,984 |
| 2.2 Additional investment made after acquisition | | |
| 3. Current year change in encumbrances | | |
| 4. Total gain (loss) on disposals | | 46,037 |
| 5. Deduct amounts received on disposals | | 218,376 |
| 6. Total foreign exchange change in book/adjusted carrying value | | |
| 7. Deduct current year's other than temporary impairment recognized | | |
| 8. Deduct current year's depreciation | | 129 |
| 9. Book/adjusted carrying value at the end of current period (Lines 1 + 2 + 3 + 4 - 5 + 6 - 7 - 8) | 18,840 | 18,840 |
| 10. Deduct total nonadmitted amounts | | 18,840 |
| 11. Statement value at end of current period (Line 9 minus Line 10) | 18,840 | 0 |

SCHEDULE B - VERIFICATION

Mortgage Loans

| | 1 | 2 |
|---|--------------|---------------------------------|
| | Year To Date | Prior Year Ended December 31 |
| 1. Book value/recorded investment excluding accrued interest, December 31 of prior year | 12,791,745 | 11,760,393 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | 1,158,000 | 518,000 |
| 2.2 Additional investment made after acquisition | 97,598 | 2,263,383 |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | 887,911 | 1,750,031 |
| 8. Deduct amortization of premium and mortgage interest points and commitment fees | | |
| 9. Total foreign exchange change in book value/recorded investment excluding accrued interest | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | 13,159,431 | 12,791,745 |
| 12. Total valuation allowance | | |
| 13. Subtotal (Line 11 plus Line 12) | 13,159,431 | 12,791,745 |
| 14. Deduct total nonadmitted amounts | 128,614 | 130,013 |
| 15. Statement value at end of current period (Line 13 minus Line 14) | 13,030,817 | 12,661,732 |

SCHEDULE BA - VERIFICATION

Other Long-Term Invested Assets

| | 1 | 2 |
|--|--------------|---------------------------------|
| Description | Year To Date | Prior Year Ended December 31 |
| 1. Book/adjusted carrying value, December 31 of prior year | 33,182 | 40,982 |
| 2. Cost of acquired: | | |
| 2.1 Actual cost at time of acquisition | | |
| 2.2 Additional investment made after acquisition | | |
| 3. Capitalized deferred interest and other | | |
| 4. Accrual of discount | | |
| 5. Unrealized valuation increase (decrease) | | |
| 6. Total gain (loss) on disposals | | |
| 7. Deduct amounts received on disposals | | 7,800 |
| 8. Deduct amortization of premium and depreciation | | |
| 9. Total foreign exchange change in book/adjusted carrying value | | |
| 10. Deduct current year's other than temporary impairment recognized | | |
| 11. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 + 6 - 7 - 8 + 9 - 10) | 33,182 | 33,182 |
| 12. Deduct total nonadmitted amounts | 33,182 | 33,182 |
| 13. Statement value at end of current period (Line 11 minus Line 12) | | |

SCHEDULE D - VERIFICATION

Bonds and Stocks

| | 1 | 2 |
|---|--------------|---------------------------------|
| | Year To Date | Prior Year Ended December 31 |
| 1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year | 104,130,847 | 84,953,254 |
| 2. Cost of bonds and stocks acquired | 8,772,254 | 61,084,585 |
| 3. Accrual of discount | 58,082 | 298,537 |
| 4. Unrealized valuation increase (decrease) | (580,890) | (595,093) |
| 5. Total gain (loss) on disposals | 46,496 | (186,440) |
| 6. Deduct consideration for bonds and stocks disposed of | 4,917,608 | 41,291,003 |
| 7. Deduct amortization of premium | 42,453 | 132,993 |
| 8. Total foreign exchange change in book/adjusted carrying value | | |
| 9. Deduct current year's other than temporary impairment recognized | 684,534 | |
| 10. Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 106,782,194 | 104,130,847 |
| 11. Deduct total nonadmitted amounts | | |
| 12. Statement value at end of current period (Line 10 minus Line 11) | 106,782,194 | 104,130,847 |

SCHEDULE D - PART 1B
Showing the Acquisitions, Dispositions and Non-Trading Activity
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|--|---|---|---|--|---|--|--|
| | Book/Adjusted Carrying Value Beginning of Current Quarter | Acquisitions During Current Quarter | Dispositions During Current Quarter | Non-Trading Activity During Current Quarter | Book/Adjusted Carrying Value End of First Quarter | Book/Adjusted Carrying Value End of Second Quarter | Book/Adjusted Carrying Value End of Third Quarter | Book/Adjusted Carrying Value December 31 Prior Year |
| BONDS | | | | | | | | |
| 1. Class 1 (a) | 74,233,424 | 5,796,269 | 3,311,762 | (3,653,705) | 73,064,226 | | | 74,233,424 |
| 2. Class 2 (a) | 27,926,173 | 2,975,998 | 1,943,445 | (3,624,183) | 25,334,543 | | | 27,926,173 |
| 3. Class 3 (a) | 940,057 | | | 2,532,279 | 3,472,336 | | | 940,057 |
| 4. Class 4 (a) | | | | 1,033,843 | 1,033,843 | | | |
| 5. Class 5 (a) | 101,973 | | 122,969 | 1,835,818 | 1,814,822 | | | 101,973 |
| 6. Class 6 (a) | 935,820 | | 422 | 1,206,767 | 2,142,165 | | | 935,820 |
| 7. Total Bonds | 104,137,447 | 8,772,267 | 5,378,598 | (669,181) | 106,861,935 | | | 104,137,447 |
| PREFERRED STOCK | | | | | | | | |
| 8. Class 1 | | | | | | | | |
| 9. Class 2 | | | | | | | | |
| 10. Class 3 | | | | | | | | |
| 11. Class 4 | | | | | | | | |
| 12. Class 5 | | | | | | | | |
| 13. Class 6 | | | | | | | | |
| 14. Total Preferred Stock | | | | | | | | |
| 15. Total Bonds & Preferred Stock | 104,137,447 | 8,772,267 | 5,378,598 | (669,181) | 106,861,935 | | | 104,137,447 |

Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....0; NAIC 2 \$.....499,187; NAIC 3 \$.....0; NAIC 4 \$.....0; NAIC 5 \$.....0; NAIC 6 \$.....0

SCHEDULE DA - PART 1

Short - Term Investments Owned End of Current Quarter

| | 1 Book/Adjusted Carrying Value | 2 Par Value | 3 Actual Cost | 4 Interest Collected Year To Date | 5 Paid for Accrued Interest Year To Date |
|-----------------------|---|----------------|---------------------|---|---|
| 9199999. Totals | 7,665,740 | X X X | 7,660,243 | 5,497 | |

SCHEDULE DA - Verification

Short-Term Investments

| | | 1 Year To Date | 2 Prior Year Ended December 31 |
|-----|--|-------------------|--------------------------------------|
| 1. | Book/adjusted carrying value, December 31 of prior year | 10,038,901 | 4,879,724 |
| 2. | Cost of short-term investments acquired | 8,023,423 | 72,981,027 |
| 3. | Accrual of discount | 2,961 | 1,841 |
| 4. | Unrealized valuation increase (decrease) | | |
| 5. | Total gain (loss) on disposals | 7,462 | 11,875 |
| 6. | Deduct consideration received on disposals | 10,407,007 | 67,835,566 |
| 7. | Deduct amortization of premium | | |
| 8. | Total foreign exchange change in book/adjusted carrying value | | |
| 9. | Deduct current year's other than temporary impairment recognized ... | | |
| 10. | Book/adjusted carrying value at end of current period (Lines 1 + 2 + 3 + 4 + 5 - 6 - 7 + 8 - 9) | 7,665,740 | 10,038,901 |
| 11. | Deduct total nonadmitted amounts | | |
| 12. | Statement value at end of current period (Line 10 minus Line 11) | 7,665,740 | 10,038,901 |

SI04 Schedule DB Part F Section 1 NONE

SI05 Schedule DB Part F Section 2 NONE

SI06 Schedule E - Verification (Cash Equivalents) NONE

E01 Schedule A Part 2 NONE

E01 Schedule A Part 3 NONE

SCHEDULE B - PART 2

Showing All Mortgage Loans ACQUIRED During the Current Quarter

| 1 Loan Number | Location | | 4 Loan Type | 5 Date Acquired | 6 Rate of Interest | 7 Actual Cost at Time of Acquisition | 8 Additional Investment Made After Acquisition | 9 Value of Land and Buildings |
|---|---------------|----------------|--------------------|------------------------|---------------------------|---|---|--------------------------------------|
| | 2 City | 3 State | | | | | | |
| Mortgages in Good Standing - Commercial Mortgages - All Other | | | | | | | | |
| 9950 | ROXBORO | NC ..... | ..... | 09/08/2006 | 7.600 ..... | ..... | 84,500 | 1,671,000 |
| 9952 | DURHAM | NC ..... | ..... | 12/27/2006 | 6.600 ..... | ..... | 13,098 | 1,627,000 |
| 9956 | DURHAM | NC ..... | ..... | 01/16/2009 | 6.750 | 835,000 ..... | ..... | 1,627,000 |
| 9957 | ROXBORO | NC ..... | ..... | 02/12/2009 | 6.650 | 323,000 ..... | ..... | 1,281,000 |
| 0599999 Subtotal -Mortgages in Good Standing - Commercial Mortgages - All Other | | | | | | 1,158,000 | 97,598 | 6,206,000 |
| 0899999 Total - Mortgages in Good Standing (sum of Lines 0199999 - 0799999) | | | | | | 1,158,000 | 97,598 | 6,206,000 |
| 3399999 Total Mortgages (sum of Lines 0899999, 1699999, 2499999 and 3299999) | | | | | | 1,158,000 | 97,598 | 6,206,000 |

SCHEDULE B - PART 3

Showing All Mortgage Loans DISPOSED, Transferred or Repaid During the Current Quarter

| 1 Loan Number | Location | | 4 Loan Type | 5 Date Acquired | 6 Disposal Date | 7 Book Value/Recorded Investment Excluding Accrued Interest Prior Year | Change in Book Value/Recorded Investment | | | | | | 14 Book Value/Recorded Investment Excluding Accrued Interest on Disposal | 15 Consider- ation | 16 Foreign Exchange Gain (Loss) on Disposal | 17 Realized Gain (Loss) on Disposal | 18 Total Gain (Loss) on Disposal |
|--|---------------|----------------|-----------------------|---------------------------|---------------------------|--|--|---|---|--|--|--|--|------------------------------|--|---|--|
| | 2 City | 3 State | | | | | 8 Unrealized Valuation Increase (Decrease) | 9 Current Year's (Amortization)/ Accretion | 10 Current Year's Other Than Temporary Impairment Recognized | 11 Capitalized Deferred Interest and Other | 12 Total Change in Book Value (8+9-10+11) | 13 Total Foreign Exchange Change in Book Value | | | | | |
| Mortgages closed by repayment | | | | | | | | | | | | | | | | | |
| 9952 | DURHAM | NC | | 12/27/2006 | 01/16/2009 | 761,902 | | | | | | 775,000 | 775,000 | | | | |
| 6690 | MACON | GA | | 01/08/1977 | 03/03/2009 | 327 | | | | | | 327 | 653 | | | | |
| 0199999 Subtotal - Mortgages closed by repayment | | | | | | 762,229 | | | | | | 775,327 | 775,653 | | | | |
| 0599999 Totals | | | | | | 762,229 | | | | | | 775,327 | 775,653 | | | | |

SCHEDULE BA - PART 2

Showing Other Long-Term Invested Assets ACQUIRED During the Current Quarter

| 1 | 2 | Location | | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
|-------------------------|------------------------|----------|-------|--|---------------------|--------------------------------|----------------------|--|---|------------------------------|---|----------------------------|
| CUSIP Identification | Name or Description | 3 | 4 | Name of Vendor or General Partner | NAIC Designation | Date Originally Acquired | Type and Strategy | Actual Cost at Time of Acquisition | Additional Investment Made After Acquisition | Amount of Encumbrances | Commitment for Additional Investment | Percentage of Ownership |
| | | City | State | | | | | | | | | |
| <div>NONE</div> | | | | | | | | | | | | |
| 4199999 TOTALS | | | | | | | | | | | | X X X |

SCHEDULE BA - PART 3

Showing Other Long-Term Invested Assets DISPOSED, Transferred or Repaid During the Current Quarter

| 1 CUSIP Identification | 2 Name or Description | Location | | 5 Name of Purchaser or Nature of Disposal | 6 Date Originally Acquired | 7 Disposal Date | 8 Book/Adjusted Carrying Value Less Encumbrances, Prior Year | Change in Book/Adjusted Carrying Value | | | | | | 15 Book/Adjusted Carrying Value Less Encumbrances on Disposal | 16 Consideration | 17 Foreign Exchange Gain (Loss) on Disposal | 18 Realized Gain (Loss) on Disposal | 19 Total Gain (Loss) on Disposal | 20 Investment Income | | | | |
|----------------------------------|---------------------------------|---------------|----------------|---|---|---------------------------|---|--|--|---|--|---|--|--|-------------------------|---|---|--|--------------------------------|--|--|--|--|
| | | 3 City | 4 State | | | | | 9 Unrealized Valuation Increase (Decrease) | 10 Current Year's (Depreciation) or (Amortization)/ Accretion | 11 Current Year's Other Than Temporary Impairment Recognized | 12 Capitalized Deferred Interest and Other | 13 Total Change in B./A.C.V. (9 + 10 - 11 + 12) | 14 Total Foreign Exchange Change in B./A.C.V. | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | | | | | |
| 4199999 TOTALS | | | | | | | | | | | | | | | | | | | | | | | |

Q03

SCHEDULE D - PART 3

Show All Long-Term Bonds and Stock Acquired by the Company During the Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--|--------------------------------------|---------|------------------|---------------------------------|------------------------------|-----------------|--------------------|--|---|
| CUSIP Identification | Description | Foreign | Date Acquired | Name of Vendor | Number of Shares of Stock | Actual Cost | Par Value | Paid for Accrued Interest and Dividends | NAIC Designation or Market Indicator (a) |
| Bonds - U.S. Governments | | | | | | | | | |
| 31371NQJ7 | FNMA POOL #257057 ..... | ..... | 03/12/2009 | SUNTRUST CAPITAL MARKETS | X X X | 1,253,723 | 1,218,500.94 | 2,708 | 1 |
| 912810QA9 | U.S. TREASURY ..... | ..... | 03/11/2009 | VARIOUS | X X X | 448,474 | 455,000.00 | 433 | 1 |
| 912810FG8 | U.S. TREASURY BOND ..... | ..... | 03/11/2009 | BANK OF AMERICA | X X X | 117,320 | 100,000.00 | 363 | 1 |
| 0399999 Subtotal - Bonds - U.S. Governments | | | | | X X X | 1,819,517 | 1,773,500.94 | 3,504 | X X X |
| Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | |
| 00788@AA4 | AEGIS ALABAMA VENTURE FUND, LP ..... | ..... | 01/01/2009 | DIRECT | X X X | 1,265,803 | 1,265,802.54 ..... | ..... | 1 |
| 03674BAC8 | ANTHEM INC ..... | ..... | 02/24/2009 | VARIOUS | X X X | 562,172 | 550,000.00 | 2,701 | 2FE |
| 097023AW5 | BOEING CO ..... | ..... | 03/11/2009 | CASTLE OAK | X X X | 995,240 | 1,000,000.00 | 500 | 1FE |
| 17275RAD4 | CISCO SYSTEMS ..... | ..... | 02/13/2009 | BARCLAYS | X X X | 238,795 | 250,000.00 | 82 | 1FE |
| 20825CAQ7 | CONOCOPHILLIPS ..... | ..... | 01/29/2009 | BARCLAYS | X X X | 492,800 | 500,000.00 ..... | ..... | 1FE |
| 46625HHB9 | JP MORGAN CHASE ..... | ..... | 02/26/2009 | MORGAN STANLEY DEANWITTER | X X X | 485,680 | 500,000.00 | 8,049 | 1FE |
| 565849AG1 | MARATHON OIL CORP ..... | ..... | 02/11/2009 | CASTLE OAK | X X X | 477,366 | 475,000.00 ..... | ..... | 2FE |
| 581557AX3 | MCKESSON CORP ..... | ..... | 02/20/2009 | CANTOR CLEARING SERVICES | X X X | 425,316 | 400,000.00 | 1,083 | 2FE |
| 74005PAS3 | PRAXAIR INC ..... | ..... | 03/23/2009 | BANK OF AMERICA | X X X | 498,420 | 500,000.00 ..... | ..... | 1FE |
| 74047PAK0 | PREMCOR REFINING ..... | ..... | 02/03/2009 | VARIOUS | X X X | 1,511,145 | 1,500,000.00 | 1,406 | 2FE |
| 3899999 Subtotal - Bonds - Industrial and Miscellaneous (Unaffiliated) | | | | | X X X | 6,952,737 | 6,940,802.54 | 13,821 | X X X |
| 8399997 Subtotal - Bonds - Part 3 | | | | | X X X | 8,772,254 | 8,714,303.48 | 17,325 | X X X |
| 8399998 Summary Item from Part 5 for Bonds (N/A to Quarterly) | | | | | X X X | X X X | X X X | X X X | X X X |
| 8399999 Subtotal - Bonds | | | | | X X X | 8,772,254 | 8,714,303.48 | 17,325 | X X X |
| 8999998 Summary Item from Part 5 for Preferred Stocks (N/A to Quarterly) | | | | | X X X | X X X | X X X | X X X | X X X |
| 9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | | X X X | X X X | X X X | X X X | X X X |
| 9899999 Subtotal - Preferred and Common Stocks | | | | | X X X ..... | ..... | X X X ..... | ..... | X X X |
| 9999999 Total - Bonds, Preferred and Common Stocks | | | | | X X X | 8,772,254 | X X X | 17,325 | X X X |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues0.

QE04

SCHEDULE D - PART 4
Show All Long-Term Bonds and Stocks Sold, Redeemed, or Otherwise Disposed of
by the Company During the Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Change in Book/Adjusted Carrying Value | | | | | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
|---|---------------------------------------|---------------------------------|------------------|----------------------|---------------------------------|---------------|--------------|----------------|--|--|--|---|---|--|--|---|--|-------------------------------------|---|------------------|---|
| | | | | | | | | | | 11 | 12 | 13 | 14 | 15 | | | | | | | |
| CUSIP Identification | Description | F o r e i g n | Disposal Date | Name of Purchaser | Number of Shares of Stock | Consideration | Par Value | Actual Cost | Prior Year Book/ Adjusted Carrying Value | Unrealized Valuation Increase/ (Decrease) | Current Year's (Amortization)/ Accretion | Current Year's Temporary Impairment Recognized | Total Change in B./A.C.V. (11 + 12 - 13) | Total Foreign Exchange Change in B./A.C.V. | Book/ Adjusted Carrying Value at Disposal Date | Foreign Exchange Gain (Loss) on Disposal | Realized Gain (Loss) on Disposal | Total Gain (Loss) on Disposal | Bond Interest/ Stock Dividends Received During Year | Maturity Date | NAIC Designation or Market Indicator (a) |
| Common Stock - Industrial and Miscellaneous (Unaffiliated) | | | | | | | | | | | | | | | | | | | | | |
| 134656107 .. | CAMPTOWN INDUSTRIES | ... | 03/31/2009 | DIRECT | 1,438.000 | ..... | X X X .. | 1,438 | 1,438 | ..... | ..... | ..... | ..... | ..... | 1,438 | ..... | (1,438) | (1,438) | ..... | X X X . | U |
| 255368102 .. | DIVERSITRON, INC. | ... | 03/31/2009 | DIRECT | 6,000.000 | ..... | X X X .. | 6,000 | 6,000 | ..... | ..... | ..... | ..... | ..... | 6,000 | ..... | (6,000) | (6,000) | ..... | X X X . | U |
| 320539109 .. | FIRST INDEPENDENCE CORP. | ... | 03/31/2009 | DIRECT | 750.000 | ..... | X X X .. | 4,500 | 8,108 | (3,608) | ..... | ..... | (3,608) | ..... | 4,500 | ..... | (4,500) | (4,500) | ..... | X X X . | U |
| 387241805 .. | GRANITE BROADCASTING CORP | ... | 03/31/2009 | DIRECT | 11.000 | ..... | X X X .. | 875 | 22 | 853 | ..... | ..... | 853 | ..... | 875 | ..... | (875) | (875) | ..... | X X X . | U |
| 387241110 .. | GRANITE BROADCASTING CORP SER A | ... | 03/31/2009 | DIRECT | 27.000 | ..... | X X X .. | ..... | 6 | (6) | ..... | ..... | (6) | ..... | ..... | ..... | ..... | ..... | ..... | X X X . | U |
| 387241128 .. | GRANITE BROADCASTING CORP SER B | ... | 03/31/2009 | DIRECT | 27.000 | ..... | X X X .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | X X X . | U |
| 501921100 .. | LTV CORP | ... | 03/31/2009 | DIRECT | 199.000 | ..... | X X X .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | X X X . | U |
| 615330107 .. | MONUMENTAL PROPERTIES TRUST .. | ... | 03/31/2009 | DIRECT | 1,754.000 | ..... | X X X .. | 1,754 | 3,508 | (1,754) | ..... | ..... | (1,754) | ..... | 1,754 | ..... | (1,754) | (1,754) | ..... | X X X . | U |
| 656568508 .. | NORTEL NETWORKS CORP | ... | 03/31/2009 | DIRECT | 116.000 | ..... | X X X .. | ..... | 66 | (66) | ..... | ..... | (66) | ..... | ..... | ..... | ..... | ..... | ..... | X X X . | L |
| 75961#105 .. | REMOTE SOURCE LTG INTL INC | ... | 03/31/2009 | DIRECT | 20,000.000 | ..... | X X X .. | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | ..... | X X X . | U |
| 911339109 .. | UNITED PUBLISHING CORP. | ... | 03/31/2009 | DIRECT | 1,438.000 | ..... | X X X .. | 1,438 | 89 | 1,349 | ..... | ..... | 1,349 | ..... | 1,438 | ..... | (1,438) | (1,438) | ..... | X X X . | U |
| 9099999 Subtotal - Common Stock - Industrial and Miscellaneous (Unaffiliated) | | | | | X X X .. | ..... | X X X .. | 16,005 | 19,237 | (3,232) | ..... | ..... | (3,232) | ..... | 16,005 | ..... | (16,005) | (16,005) | ..... | X X X . | X X X . |
| 9799997 Subtotal - Common Stocks - Part 4 | | | | | X X X .. | ..... | X X X .. | 16,005 | 19,237 | (3,232) | ..... | ..... | (3,232) | ..... | 16,005 | ..... | (16,005) | (16,005) | ..... | X X X . | X X X . |
| 9799998 Summary Item from Part 5 for Common Stocks (N/A to Quarterly) | | | | | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X .. | X X X . | X X X . |
| 9799999 Subtotal - Common Stocks | | | | | X X X .. | ..... | X X X .. | 16,005 | 19,237 | (3,232) | ..... | ..... | (3,232) | ..... | 16,005 | ..... | (16,005) | (16,005) | ..... | X X X . | X X X . |
| 9899999 Subtotal - Preferred and Common Stocks | | | | | X X X .. | ..... | X X X .. | 16,005 | 19,237 | (3,232) | ..... | ..... | (3,232) | ..... | 16,005 | ..... | (16,005) | (16,005) | ..... | X X X . | X X X . |
| 9999999 Total - Bonds, Preferred and Common Stocks | | | | | X X X .. | 4,917,610 | X X X .. | 4,887,120 | 4,891,465 | (3,232) | (17,119) | ..... | (20,351) | ..... | 4,871,114 | ..... | 46,496 | 46,496 | 72,927 | X X X . | X X X . |

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues10.

E06 Schedule DB Part A Section 1 NONE

E06 Schedule DB Part B Section 1 NONE

E07 Schedule DB Part C Section 1 NONE

E07 Schedule DB Part D Section 1 NONE

SCHEDULE E - PART 1 - CASH

Month End Depository Balances

| 1 | | | 2 | 3 | 4 | 5 | Book Balance at End of Each Month During Current Quarter | | | 9 |
|--|-------------------------|-------|-------|---------------------|---|---|---|--------------------------|-------------------------|-------|
| Depository | | | Code | Rate of Interest | Amount of Interest Received During Current Quarter | Amount of Interest Accrued at Current Statement Date | 6 First Month | 7 Second Month | 8 Third Month | * |
| open depositories | | | | | | | | | | |
| Mechanic & Farmers Bank ... | Durham, NC ..... | ..... | ..... | ..... | ..... | ..... | 236,517 | (490,661) | 351,880 | X X X |
| Wachovia Bank | Charlotte, NC ..... | ..... | ..... | ..... | ..... | ..... | 1,752,940 | 1,858,823 | 1,352,753 | X X X |
| Ocean National Bank | Keene, NH ..... | ..... | ..... | ..... | ..... | ..... | 678,554 | (561,234) | 105,353 | X X X |
| Bank of Oklahoma | Oklahoma City, OK ..... | ..... | ..... | ..... | ..... | ..... | 300,000 | 300,000 | | X X X |
| 0199998 Deposits in .....5 depositories that do not exceed the allowable limit in any one depository (See Instructions) - open depositories | | | X X X | .. X X X .. | ..... | ..... | (23,984) | (29,837) | (4,843) | X X X |
| 0199999 Totals - Open Depositories | | | X X X | .. X X X .. | ..... | ..... | 2,944,027 | 1,077,091 | 1,805,143 | X X X |
| suspended depositories | | | | | | | | | | |
| 0299998 Deposits in .....0 depositories that do not exceed the allowable limit in any one depository (See Instructions) - suspended depositories | | | X X X | .. X X X .. | ..... | ..... |  |  |  | X X X |
| 0299999 Totals - Suspended Depositories | | | X X X | .. X X X .. | ..... | ..... |  |  |  | X X X |
| 0399999 Total Cash On Deposit | | | X X X | X X X | ..... | ..... | 2,944,027 | 1,077,091 | 1,805,143 | X X X |
| 0499999 Cash in Company's Office | | | X X X | X X X | X X X | X X X | 1,974 | 1,974 | 1,974 | X X X |
| 0599999 Total Cash | | | X X X | X X X | ..... | ..... | 2,946,001 | 1,079,065 | 1,807,117 | X X X |

SCHEDULE E - PART 2 - CASH EQUIVALENTS

Show Investments Owned End of Current Quarter

| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|--|------|------------------|---------------------|------------------|---------------------------------|--|--------------------------------|
| Description | Code | Date Acquired | Rate of Interest | Maturity Date | Book/Adjusted Carrying Value | Amount of Interest Due & Accrued | Amount Received During Year |
| <div>NONE</div> | | | | | | | |
| 8699999 Total - Cash Equivalents | | | | | | | |



MEDICARE PART D COVERAGE SUPPLEMENT
Net of Reinsurance
For the Quarter Ended March 31, 2009

NAIC Group Code: 0000

NAIC Company Code: 67032

| | | Individual Coverage | | Group Coverage | | 5 Total Cash |
|-----|--|---------------------|----------------|----------------|----------------|--------------------|
| | | 1 Insured | 2 Uninsured | 3 Insured | 4 Uninsured | |
| 1. | Premiums Collected | | X X X | | X X X | |
| 2. | Earned Premiums | | X X X | | X X X | X X X |
| 3. | Claims Paid | | X X X | | X X X | |
| 4. | Claims Incurred | | X X X | | X X X | X X X |
| 5. | Reinsurance Coverage and Low Income Cost Sharing - Claims Paid Net of Reimbursements Applied (a) | N O N E | | X X X | | |
| 6. | Aggregate Policy Reserves - change | | | | X X X | X X X |
| 7. | Expenses Paid | | | | X X X | |
| 8. | Expenses Incurred | | | | X X X | X X X |
| 9. | Underwriting Gain or Loss | | X X X | | X X X | X X X |
| 10. | Cash Flow Results | X X X | X X X | X X X | X X X | |

(a) Uninsured Receivable/Payable with CMS at End of Quarter: \$.0 due from CMS or \$.0 due to CMS

**INDEX TO LIFE AND ACCIDENT AND HEALTH
QUARTERLY STATEMENT**

| |
|--|
| Accident and Health; Q3; Q4; Q6; Q11; QSupp3 |
| Accounting Changes and Corrections of Errors; Q4; Q7, Note 2 |
| Accounting Practices and Policies; Q7, Note 1 |
| Admitted Assets; Q2; Q8; QSI01; QSI03; QSI06; QSupp2 |
| Affiliated Transactions; Q2; Q3; Q7, Note 10; Q8; Q8.1 |
| Annuities; Q3; Q4; Q6; Q11; QSupp3 |
| Annuity Actuarial Reserves; Q7, Note 31 |
| Annuity Benefits; Q4 |
| Asset Valuation Reserve; Q3; Q4 |
| Bonds; Q2; Q5; Q8.1; Q8.2; QSI01; QSI02; QE04; QE05; QSupp2 |
| Business Combinations and Goodwill; Q7, Note 3 |
| Capital Gains (Losses); Q3; Q4; Q5 |
| Capital Stock; Q3; Q4; Q7, Note 13 |
| Capital Notes; Q3; Q5; Q7, Note 11 |
| Caps; QE06 |
| Cash; Q2; Q5; QSI04; QE07; QE08; QSupp2 |
| Cash Equivalents; Q2; Q5; QSI06; QE09 |
| Claim Adjustment Expenses; Q7, Note 34 |
| Claims; Q3; QSupp1 |
| Coinsurance; Q3 |
| Collars; QE07 |
| Commissions; Q3; Q4; Q5 |
| Common Stock; Q2; Q3; Q5; Q7, Note 13; Q8.1; Q8.2; QSI01; QE04; QE05; QSupp2 |
| Contract Loans; Q2; Q5 |
| Contingencies; Q7, Note 14 |
| Counterparty Exposure; Q7, Note 8; QE06; QE07 |
| Coupons; Q3; Q4 |
| Credit Life; Q6 |
| Death Benefits; Q4 |
| Debt; Q7, Note 11 |
| Deferred Compensation; Q7, Note 12 |
| Deposit Liabilities by Withdrawal Characteristics; Q7, Note 31 |
| Derivative Instruments; Q7, Note 8; QSI04; QSI05; QE06; QE07 |
| Deposit-Type Contracts; Q3; Q4; Q5; Q6; Q11 |
| Disability Benefits; Q11 |
| Discontinued Operations; Q7, Note 4 |
| Dividends or Refunds; Q5; Q11 |
| Electronic Data Processing Equipment; Q2 |
| Exchange or Counterparty; QE06; QE07 |
| Expenses; Q3; Q4; Q5; QE01 |
| Experience Rating Refunds; Q3; Q4 |
| Extinguishment of Liabilities; Q7, Note 17 |
| Extraordinary Items; Q7, Note 20 |
| Federal ID Number; Q10 |
| Federal Reserve Board; Q8 |
| Floors; QE06 |
| Foreign Exchange; Q2; Q3; Q4; QSI01; QSI03; QSI06; QE01; QE02; QE03; QE05 |
| Forwards; QE07 |
| Furniture and Equipment; Q2 |
| Futures Contracts; QE06; QE07 |
| General Insurance Expenses; Q4 |
| Group Life Insurance; Q6 |
| Guaranty Fund; Q2 |
| Health Care Receivables; Q2; Q7, Note 27 |
| Holding Company; Q8; Q12 |
| Income; Q2; Q3; Q4; Q5; QE01; QE03; QE06; QE07; QSupp2 |
| Income Generation Transactions; QE06 |
| Income Taxes; Q2; Q3; Q4; Q5; Q7, Note 9 |
| Incurred Losses and Loss Adjustment Expenses; Q7, Note 24 |
| Individual Annuities; Q6 |
| Industrial Life; Q6 |
| Insurance Futures Options; QE06; QE07 |
| Intercompany Pooling; Q7, Note 25 |
| Interest Maintenance Reserve; Q3; Q4 |
| Investment Income; Q3; Q7, Note 7; QE09 |
| Accrued; Q2; QSupp2 |
| Earned; Q4 |
| Received; Q5 |
| Investments; Q2; Q3; Q4; Q5; Q7, Note 5; Q8.1; Q8.2; QSI01; QSI03; QSI06; QE01; QE02; QE03; QE04; QE05; QE06; QE07; QE08; QE09; QSupp2 |
| Joint Venture; Q7, Note 6; QE03 |

**INDEX TO LIFE AND ACCIDENT AND HEALTH
QUARTERLY STATEMENT**

Leases; Q7, Note 15

Licensing; Q3; Q4; Q8

Limited Liability Comapny (LLC); Q7, Note 6; QE03

Limited Partnership; Q7, Note 6; QE03

Long-Term Invested Assets; Q5; Q9; QSI01; QE03; QE04; QE05

Managing General Agents; Q7, Note 19; Q8

Matured Endowments; Q4

Medicare Part D Coverage; QSupp5

Mergers; Q7, Note 3; Q8

Modco Reserve; Q3

Mortgage Loans; Q2; Q5; Q8.1; Q9; QSI01; QE02; QSupp2

Nonadmitted Assets; Q2; Q4; QSI01; QSI03; QSI06

Non-Cash Transactions; Q5

Off-Balance Sheet Risk; Q7, Note 16

Options; Q8.1; QE06

Ordinary Life Insurance; Q6

Organizational Chart; Q8; Q12

Other Derivative Transactions; QE06; QE07

Parent, Subsidiaries and Affiliates; Q2; Q3; Q7, Note 10; Q8.1; Q12

Participating Policies; Q7, Note 28

Pharmaceutical Rebates; Q2; Q7, Note 27

Policies; Q3; QSupp3

Policyholder Dividends; Q3; Q4; Q5

Postemployment Benefits; Q7, Note 12

Postretirement Benefits; Q7, Note 12

Preferred Stock; Q2; Q3; Q5; Q8.1; Q8.2; QSI01; QSI02; QE04; QE05; QSupp2

Premium Deficiency Reserves; Q3; Q7, Note 29

Premiums and Annuity Considerations; Q7, Note 32

 Advance; Q3

 Collected; Q4; Q5

 Deferred; Q2; QSupp3

 Direct; Q2; Q4; Q6; Q11

 Uncollected; Q2; QSupp3

Quasi Reorganizations; Q7, Note 13

Real Estate; Q2; Q5; Q8.1; Q9; QSI01; QE01; QSupp2

Redetermination, Contracts Subject to; Q7, Note 23

Reinsurance; Q7, Note 22

 Assumed; Q3; Q4; Q10

 Ceded; Q3; Q4; Q11

 Funds Held; Q2; Q3

 Payable; Q3; Q4

 Receivable; Q2; QSupp3

 Unauthorized; Q3; Q4; QSupp3

Replicated (Synthetic) Assets; QSI04; QSI05

Reserves; Q7, Note 30

 Accident and Health; Q3; Q4

 Annuity; Q3

 Claim; Q3

 Life; Q3; Q4

Retirement Plans; Q7, Note 12

Retrospectively Rated Policies; Q7, Note 23

Separate Accounts; Q2; Q3; Q4; Q5; Q7, Note 33

Servicing of Financial Assets; Q7, Note 17

Short-Term Investments; Q2; Q5; Q8.1; QSI03; QSupp2

Special Deposits; QSupp2

Stockholder Dividends; Q3; Q4; Q5

Structured Settlements; Q7, Note 26

Subsequent Events; Q7, Note 21

Supplementary Contracts; Q4

Surplus; Q3; Q4; Q5; Q7, Note 13; QSupp1; QSupp2; QSupp3

Surplus Notes; Q3; Q4; Q5; QE03; Q7, Note 13

Surrender Values; Q3; Q4

Swaps; QE07

Taxes; Q2; Q3; Q4; Q5; QE01

Third Party Administrator; Q7, Note 19; Q8

Treasury Stock; Q3; Q4; Q5

Uninsured Accident and Health; Q2; Q3; Q7, Note 18

Valuation Allowance; QSI01

Wash Sales; Q7, Note 17